DOCUMENT RESUME

ED 284 109 CG 020 042

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TITLE Effects of Present Salary on Resume Evaluations: Sex Discrimination?
PUB DATE Apr 87
NOTE 12p.; Paper presented at the Annual Meeting of the Southeastern Psychological Association (33rd, Atlanta, GA, March 25-28, 1987).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Business Administration Education; *College Students; *Evaluation Criteria; Higher Education; *Personnel Selection; *Salaries; *Salary Wage Differentials; Sex Differences; *Sex Discrimination

ABSTRACT

Despite legislative and judicial attempts to remedy sex discrimination in the workplace, women continue to earn 60% less than their male counterparts. One factor that could influence an employer's evaluation of an applicant is the knowledge of that applicant's salary on his or her present job. A study was conducted to determine the influence of an applicant's present salary on the evaluation of his or her qualifications and suitability for hire. Undergraduate business majors (N=80) rated four applicant resumes, each for a different job. Each subject rated two male applicants and two female applicants with either high or low present salary. Subjects evaluated applicants' qualifications and hirability, and awarded a starting salary. The results indicated that, compared to high present-salary applicants, low present-salary applicants were offered less starting salary for all jobs, and were rated as less qualified for engineer and advertising manager jobs. For the engineer job, low present-salary applicants were regarded as less likely than high salary applicants to be successful, and were less likely to be hired. These findings imply a potential for perpetuating sex discrimination and an earning differential between men and women. (Author/NB)

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EFFECTS OF PRESENT SALARY ON RESUME EVALUATIONS: SEX DISCRIMINATION?

Eighty undergraduate business majors rated four applicant resumes, each for different jobs. Each subject rated two males and two females with either high or low present salary. Subjects evaluated applicants' qualifications, hirability, and awarded a starting salary. Results indicated low present-salary applicants were offered less starting salary for all jobs, and were rated as less qualified for engineer and advertising manager jobs. For the engineer job, low present-salary applicants were regarded as less likely to be successful, and were less likely to be hired. Findings imply a potential for perpetuating sex discrimination and an earning differential between men and women.

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Paper presented at 33rd Annual Southeastern Psychological Assoc.
Atlanta, GA, April, 1987

CG 020042

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Effects of Present Salary on Resume Evaluations:
Sex Discrimination?

Despite legislative and judicial attempts to remedy sex discrimination in the workplace, women continue to earn 60% less than their male counterparts, 20% of which DeForest (1984) attributes to discrimination. Women are paid less for comparable work as well (Hartmann & Treiman, 1981).

Although research evidence is inconsistent, sex discrimination regarding access to jobs also seems evident from some studies. For example, one study (Zikmund, Hitt, & Pickens, 1978) has shown that personnel managers were less likely to reply to resumes submitted by females than when the sex of the applicant was unknown, and when they did reply, responses to women were less favorable. Among highly qualified applicants, men are often preferred over women (Haefner, 1977; Heneman, 1977).

However, Muchinsky & Harris (1977) found that females were preferred over males, while Renwick and Tosi (1979) found no difference in subjects' evaluation of male and female applicants. Kryger and Shikiar (1978) interpreted their findings that females were preferred over males as a result of affirmative actions concerns. Using college undergraduates as subjects, Terborg and Ilgen (1975) found no sex difference in preference for hire but women were awarded lower starting salaries than men.

One variable that clearly seems to show differential effects of sex on evaluations of candidatesis is job congruency. Not surprisingly, women are preferred for female congruent jobs and men for male congruent jobs (Cohen & Bunker, 1975; Shaw, 1972).

In order to attack the problems of sex discrimination and and unequal pay for women, it is necessary to identify factors which perpetuate these effects. Some factors such as sex stereotypes, and job congruency may be somewhat obvious. In such instances, heightened awareness may result in a reduction of the influence of these factors. However, other factors less obvious than sex related ones may also play an important role in perpetuating sex discrimination in employment.

One less obvious factor that could influence an employer's evaluation of an applicant is the knowledge of that applicant's salary on his or her present job. Research indicates that the perceived quality of a product is partly a function of its price (McConnell, 1968) though price and quality are often unrelated (Sprules, 1977). Should this phenomenon extend to the employment market such that the perceived quality of the applicant (product) is partly a function of price (present salary), then on the average, women would be evaluated less favorably than men since they are more likely to be earning less.

The present study was designed to determine the influence of an applicant's present salary on the evaluation of his or herqualifications and suitability for hire. This variable seems appropriate in light of the data which imply that price contributes to perceived product quality. It was predicted that applicants with relatively low present salaries would be rated as less qualified, less likely to be successful, less likely to be hired, and would be offered lower starting salaries than those

with relatively high present salaries. Based upon previous research findings, it was also predicted that women would be evaluated less favorably (Dipboye, Arvey, & Terpstra, 1977) and offered lower starting salaries than male applicants (Fidell, 1970; Terborg & Harris, 1975). Because of previous inconsistent findings cited above, no predictions were made regarding sex differences in perceived qualifications of applicants and likelihood of hiring preferences.

METHOD

Eighty undergraduate business majors (42 males and 38 females) participated in a 2 (Applicant sex) X 2 (Pay:high vs. low) X 4 (Jobs) repeated measures factorial experiment with partial confounding of higher interactions (Winer,1972). Each subject rated four combinations (one for each job) in which the applicant was either male or female with a high or low present salary (Pay). Approximately equal numbers of male and female subjects were assigned to each condition. The four jobs for which applicants were applying were advertising manager, design engineer, university director, and cost accountant. These jobs were chosen because it was felt that they were ones for which salary should unlikely be used as a measure of qualifications and hireability (compared to sales where commission is often indicative of competence).

Subjects were provided with descriptions of the job duties along with starting salary ranges for each. Manipulations were

introduced by providing subjects with resumes containing the applicant's name (applicant sex inferred), his or her present salary (Pay: high or low compared to industry averages), and a brief mention of experience (same with each applicant for a given job).

After reading the descriptions of the applicant and the job for which he/she was applying, subjects completed a questionnaire containing a manipulation check for present salary, and six dependent measures using 5-point Likert-type items. The items were questions pertaining to perceived qualifications, hireability, and likelihood of accepting and remaining on the job. Additionally, subjects assigned a starting salary for each applicant within a designated salary range.

RESULTS AND DISCUSSION

A multivariate analysis of variance conducted on the manipulation check and dependent measures was significant for Pay only, $F(9,58) = 42.038$, $p < .0001$. The manipulation for Pay was significant for all four jobs. Analyses for main effects of subject sex and applicant sex were not significant, and therefore were not considered in further analyses. These findings were not surprising given the variability of results from numerous other studies (Arvey, 1979). Univariate analyses for pay indicated that low present-salary applicants were awarded less starting salary on all four jobs with an average difference of approximately

$5000.00 on each (all means significant at $p < .001$). Low-salary applicants were also seen as more likely to accept and remain on the job. Although these findings are not surprising since evaluators often must offer more to attract higher salaried applicants, they do provide additional evidence for one factor which perpetuates the sex differential in earnings.

The most interesting finding, and one which confirmed predictions, was that for the jobs of advertising manager and engineer, the low-present salary applicants were seen as less qualified than high-salaried applicants. For advertising manager, $F(1,66) = 7.484, p < .01$, and for engineer, $F(1,66) = 4.80$, $p < .03$. Summary statistics are shown in Table 1. Additionally, the applicant for engineer with a low present salary was seen as less likely to be successful than the high present-salary applicant, $F(1,66) = 7.082; p < .01$, and was less likely to be hired for the job than the high-salary applicant, $F(1,66) = 7.739$; $p < .03$. These results are shown in Table 2.

Results confirming predictions for two of the four jobs suggests that an evaluator's perceived qualifications of an applicant may be influenced by a knowledge of that applicant's present salary and may affect hiring decisions in some situations. Although previous research supports the use of college students as evaluators (Berstein, Hakel, & Harlan, 1975), caution should be exercised in generalizing to professional applicant evaluators. If these findings do generalize to

applicant evaluators in the employment setting, then a woman may be seen as less qualified than her male counterpart simply because she is currently earning less than he.

One explanation for this "halo effect" may be that quality is perceived to be related to the dollar value and that this perceptual inference extends to our evaluation of others. Intuitively, it certainly seems that earnings are often associated with success, and success with competence despite the fact that logic often dictates otherwise. These findings suggest then, a need to investigate more thoroughly the potential adverse effects, though perhaps unintended, that an evaluator's knowledge of an applicant's present salary may have on women in the employment market.

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TABLE 1 Summary Statistics for Perceived Qualifications

	Present salary					
	High		Low			
Job (N=74)	Mean	SD	Mean	SD	F(1,66)	p
Ad Manager	3.52	.87	2.94	.91	7 48	<.01
Engineer	3.71	.77	3.38	.81	4.80	<.01
U. Director	3.40	.83	3.3	1.00	.01	ns
Accountant	3.38	.86	3.37	.74	.98	ns

TABLE 2 ANOVA & Means for Effects of Salary on Predicted Success and Likelihood of Hiring for Engineer (N=74)

	Present Salary					
	High		Low			
Item	Mean	SD	Mean	SD	F(1,66)	p
Predicted Success	3.82	.7	3.31	.78	7.08	<.01
Likelihood for Hire	3.65	1.06	3.15	.78	7.74	<.01